GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1356
ANSWERED ON:17.08.2012
BOT MODEL IN POWER SECTOR
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Will the Minister of POWER be pleased to state:

(a) whether a number of private project developers in the power generation sector have threatened to go back on the tariffs they quoted during the competitive bidding stage;

(b) if so, the details thereof;

(c) the details of the key changes proposed in the current set of standard bidding documents;

(d) whether the Union Government proposes to switch to a Build-Operate Transfer (BOT) model to offer future largesize power generation projects;

(e) if so, the details thereof; and

(f) the time by which the BOT system is likely to be implemented?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

(a)&(b): M/s Coastal Gujarat Power Ltd. (CGPL), a Tata Power Company and the developer of Mundra Ultra Mega Power Project (UMPP) in Gujarat and M/s Coastal Andhra Power Ltd. (CAPL) for Krishnapattnam UMPP in Andhra Pradesh have approached this Ministry for revision of tariff citing a new regulation of Indonesia of September 2010 which prohibits sale of coal, including sale of affiliate companies, below Reference Price which is linked to international coal prices and requires adjustment of sale price every 12 months.

As the Power Purchase Agreement (PPA) is a legally binding document exclusively between the procurer and the developer, the Ministry advised the lead procurers i.e. Govt. of Andhra Pradesh for Krishnapatnam UMPP and Govt. of Gujarat for Mundra UMPP that any issue arising therein is to be settled within the provisions of PPA by the contracting parties for which the lead procurer may take necessary action.

(c) to (f): A committee has been set up in the Ministry of Power in response to the references received from various stakeholders regarding fuel availability risk of domestic coal, price risk due to change in prices of fuel in coal exporting countries, delay/denial in environment & forest clearance pertaining to coal blocks and different options for termination of projects etc. The revision in the Guidelines and Standard Biding Documents are under process and is expected to be finalized shortly.